



The Compliance Commission of The Bahamas

NOTICE

Re: FATF Recommendation 24 Guidance on Beneficial Ownership of Legal Persons

Dear Sir,

The Compliance Commission (CC) wishes to advise registrants of revisions made to FATF Recommendation 24 Guidance on Beneficial Ownership of Legal Persons.

In March 2022, the FATF agreed on tougher global beneficial ownership standards in its Recommendation 24 by requiring countries to ensure that competent authorities have access to adequate, accurate and up-to-date information on the true owners of companies.

The revisions to the Standard will help prevent the organised criminal gangs, the corrupt and sanctions evaders from using anonymous shell companies and other businesses to hide their dirty money and illicit activities.

The guidance will help countries identify, design and implement appropriate measures in line with the revised Recommendation 24 to ensure that beneficial ownership information is held by a public authority or body functioning as a beneficial ownership registry, or an alternative mechanism that enables efficient access to the information.

The guidance will also help countries assess and mitigate the money laundering and terrorist financing risks associated with foreign companies to which their countries are exposed.

The guidance explains types and sources of relevant information, and mechanism and sources to obtain such information. This includes the multi-pronged approach, which consists of combining information from, among others, companies themselves, public authorities in a registry, or alternative mechanism if it ensures rapid and efficient access to beneficial ownership information. FATF's mutual evaluations demonstrated that countries using a multi-pronged approach were more effective in preventing the misuse of legal persons for criminal purposes and ensuring transparency of beneficial ownership than countries using a single approach.

The updated guidance is the result of several months of intense consultations with external stakeholders and the private sector. It aims to assist policy makers and practitioners in national

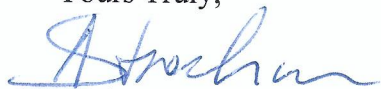
authorities and private sector stakeholders in implementing the necessary measures so that shell companies can no longer be a safe haven for illicit proceeds with links to crime or terrorism.

The revised guidance will assist DNFBPs with implementing appropriate measures to prevent the misuse of legal persons in line with FATF standards.

We encourage registrants to download and peruse the revised Guidance via <https://www.fatf-gafi.org/en/publications/Fatfrecommendations/Guidance-Beneficial-Ownership-Legal-Persons.html> The FATF Guidance is also posted on the CC's website under Compliance Articles via <https://ccb.finance.gov.bs/wp-content/uploads/2023/05/Guidance-Beneficial-Ownership-Legal-Persons.pdf>

Thank you for your careful attention to this matter.

Yours Truly,

A handwritten signature in blue ink, appearing to read 'A. Strachan', written in a cursive style.

Andrew Strachan
Inspector